

SALTON SEA ADVISORY COMMITTEE MEETING

November 1, 2005

9:30 AM – 3:30 PM

Sacramento, CA

Welcome and Introductions

Mike Chrisman, Secretary for Resources, welcomed the Advisory Committee members and led introductions of those present (see attached list).

Updates from the Resources Agency

The fourth round of public outreach meetings is being scheduled. The Department of Water Resources (DWR) and Department of Fish and Game (DFG) anticipate holding four public outreach meetings from November 29 to December 1 to discuss the configurations not addressed at the last round of meetings. Meeting invitations and posters will be distributed shortly, and additional information will be available on the project website (www.salttonsea.water.ca.gov).

Public Comments

No public comments were provided.

Overview of QSA Habitat and Air Quality Issues

Kim Nicol, DFG, provided an update on the progress of the implementation of the habitat and air quality related Quantification Settlement Agreement (QSA) mitigation measures. There was discussion about the differences between the QSA and the Imperial Irrigation District (IID) Water Conservation and Transfer Project (IID Water Transfer Project) environmental mitigation measures and the actions that are being contemplated as part of the Ecosystem Restoration Program. The QSA and IID Water Transfer Project environmental mitigation actions are being coordinated by the Joint Powers Authority (JPA) established in the QSA implementing legislation. The JPA is a public agency administered by the San Diego County Water Authority (SDCWA) that collects, holds, invests and disperses funds for mitigation actions. An overview of the status of implementation of the various mitigation measures was also provided.

Bruce Wilcox, IID, Larry Purcell, SDCWA, and Steve Robbins, Coachella Valley Water District (CVWD) provided an update on the progress of the QSA implementation.

- **IID Water Transfer Project**—Mr. Wilcox provided an update on the implementation status of the various mitigation measures identified for the IID Water Transfer Project. Various species surveys are underway or being planned. IID is working on the planning agreement for the Natural Communities Conservation Plan, and hopes to have the agreement finalized before January 2006.
- **Coachella Canal Lining Project**—Mr. Robbins noted that there have been minor weather-related construction delays.
- **All-American Canal Lining Project**—Mr. Purcell noted that the construction bid process has been slightly delayed. However, the final design is nearly completed, and the project is moving forward.

Update on Project Status and Work Group Updates

Gwen Buchholz, CH2M HILL, provided an update on the project status and progress of the various Work Groups. A variety of Work Group meetings were held in October. Meeting materials and meeting summaries are available on the project website, and Committee members are encouraged to provide comments on the Technical Reports and memorandums. New Work Groups will be formed shortly to address project financing and alternatives. The various Work Groups are moving forward in parallel and will be integrated shortly. Some independent analysis is being conducted in each of the groups; however, the agency and consulting staff that are leading these groups communicate on a regular basis and are coordinating the efforts of the groups.

Additional discussion is needed on how to address the two potential water transfers from IID to the Metropolitan Water District of Southern California (MWD) that are identified in QSA implementing legislation.

Review of Draft Report “Recreation and Economic Opportunities Assessment for the Salton Sea, California”

Ms. Buchholz provided an overview of the Recreation and Economic Opportunities Assessment Report prepared by the Salton Sea Authority (Authority). The draft report is available on the project website, and Committee members are encouraged to comment on the document. The description of existing conditions and need for recreational opportunities as described in the draft report are anticipated to be included in the project's Programmatic Environmental Impact Report (PEIR).

Status of Salton Sea Authority Activities

Ron Enzweiler, Salton Sea Authority (Authority), provided an update on current activities including the Recreation and Economic Opportunities Study, activities related to funding their preferred project, and actions taken at the recent Board Meeting.

Recreation and Economic Study

The scope of the Recreation and Economic Opportunities Study was to (1) determine the recreational opportunities that may be desirable with a restored Salton Sea, and (2) determine the economic benefits of a restored Sea. The study considered watershed-wide recreation and economic opportunities and benefits that are independent of a specific restoration alternative.

With regard to the recreation component of the study, a survey was developed and sent to the Recreation Task Force along with the Authority's mailing list and the Advisory Committee. Overall, the survey results indicate a high level of interest ("must have") for bird watching, camping, cultural tourism, geo-caching, hiking, kayaking, marine fishery, and photography, the recreational activities that are currently available at the Sea. A marine fishery would be a saline-water fishery (30 to 40 parts per thousand salinity), whereas a fresh water fishery would be similar to the fishery currently found in the drains.

With regard to the economic component of the study, the study was based on a prior study that was prepared for the Authority's North Lake Plan. The current study assumes build-out of the existing lots on the west side of the Salton Sea.

Activities Related to Funding their Preferred Project

Mr. Enzweiler also provided an update on the Authority's activities related to funding their preferred project, and provided an overview of the various funding sources being considered by the Authority. The Authority has formed a project finance committee and a regional policy planning committee. These committees are discussing the concepts of a regional growth plan for the Salton Sea area.

The Authority is considering public-private partnerships for restoration of the Sea, and issued a Request for Qualifications for real estate development and bond underwriting services in August 2005. The Authority is also considering an Infrastructure Financing District (IFD) to assist in financing construction of their preferred project, and is pursuing transfer of federal lands within the IFD zone to the Authority (see discussion of Salton Sea Test Base below). These lands would be improved and sold to developers, and the proceeds would be used to finance construction of the Authority's preferred project. Because of the large projected operations and maintenance costs, the Authority is also considering establishment of a Benefits Assessment or Mello Roos District.

The infrastructure component of the Authority's preferred project is estimated to cost about \$1 billion. This includes water quality treatment, but does not include restoration actions at the Sea, such as habitat enhancement and air quality management. A Committee member noted that the Authority may not want to base their financing estimates on receiving any monies from the Salton Sea Restoration Fund if the Authority is not undertaking restoration actions. Mr. Enzweiler noted that the Authority will need to work with the counties on various tax and growth-related issues. It was

noted that the cost of new infrastructure to support growth will be considered in future engineering and environmental studies. The Authority is preparing revised cost/financing studies.

A Committee Member suggested that the Authority encourage low-impact development in order to protect water quality and not result in impacts to the Sea or the Ecosystem Restoration Program. Additionally, a Committee Member suggested that the Authority not consider re-configuring Unit 1 of the Sonny Bono Salton Sea National Wildlife Refuge as this unit provides foraging for birds and reduces crop losses on adjacent agricultural areas. The Authority is in the early stages of development of the land use plan and encourages Committee members to participate in their upcoming public outreach meetings.

Report on Actions Taken at the Recent Board Meeting

Mr. Enzweiler provided the following report on the actions taken at the recent Board meeting:

- **Salton Sea Test Base Actions deferred to December**—The Authority is working with the Salton Sea Congressional Task Force to take over the Salton Sea Test Base and use the area for future growth. The Test Base was closed in the 1990s, and the site was remediated for unrestricted public access and habitat; however, the site was not remediated to housing standards. Additional unexploded ordnance tests to a depth of 5 feet are needed to achieve housing standards. The Authority has asked the Navy to produce a report on historical use of the site, including the use of nuclear materials on site. Gary Wyatt received a letter from the California Department of Toxics Substance Control (DTSC) in which DTSC notes that it supports local plans to revitalize the Salton Sea.
- **Report on Inflow Assumptions**—The Authority is working with IID on future inflows to the Salton Sea. Mr. Enzweiler noted that the IID Board of Directors is expected to consider a resolution related to future water transfers and inflows to the Sea.
- **Board Policy Statements Approved**—The Board of Directors approved the complete set to policy or goal statements for a restored Sea.
- **Letter to State Board Regarding MWD Water Right Applications on the New and Alamo Rivers**—The Authority sent a letter to the State Water Resources Control Board (State Board), Division of Water Rights, requesting that MWD be denied a time extension on their pending water right applications on the New and Alamo rivers. John Scott, MWD, noted that MWD has not requested a time extension on the applications. The State Board staff requested additional information on the water right applications and MWD was providing the information requested.

- **Approval to Begin Negotiations with Real Estate Development and Bond Underwriter**—The Authority will begin negotiations on policy issues and contract terms with Citigroup for bond underwriting and the New River Development Company for land development.

Coordination with the State's Process

Based on a question from an Advisory Committee Member, Ms. Dale Hoffman-Floerke, DWR, noted that the State will consider an alternative similar to the Authority's preferred project. The State will prepare a financing plan for the Ecosystem Restoration Study, but will likely not consider some of the Authority's financing options such as acquisition and re-sale of the Test Base.

Update on U.S. Bureau of Reclamation Activities

Based on a question from another Advisory Committee Member, Mike Walker, U.S. Bureau of Reclamation (Reclamation), provided an update on Reclamation's Feasibility Study. Reclamation is close to finalizing the Phase 1 report. This report will recommend one or two alternatives for further consideration in Phase 2. Reclamation has held focused technical meetings to incorporate comments from the Authority, DWR's Salton Sea Office and Division of Safety of Dams, U.S. Geological Survey, Pacific Institute, and academic institutions on the engineering design, cost estimates, and the risk analysis, and recently reported the results of the analysis and focused meetings to the Congressional Task Force. Reclamation will finalize the Phase 1 report in close coordination with the Authority and DWR, and will include the core components of the Authority's preferred project in Phase 2. Reclamation will also look into providing assistance to the Authority to obtain federal loan guarantees.

The DWR's Division of Safety of Dams prepared a technical memorandum focusing review of Reclamation's foundation treatment for a large barrier structure. This document will be made available on the project website and will be discussed in a future Infrastructure Work Group meeting.

Continued Development of Screening Criteria to Develop Range of Alternatives

Ms. Buchholz continued the discussion of the process and considerations used to develop the projects goals and objectives from the September Committee meeting. Legal, legislative and statutory mandates will guide the development of the project objectives. Screening criteria will be developed based on these objectives and used to focus the development of alternatives.

An overview of some of the project objectives based on the relevant legal, legislative and statutory mandates and some of the initial screening criteria were provided. A summary of the discussion is provided below.

- **Air Quality**—Implementation of the IID Water Conservation and Transfer Project and related air quality mitigation measures is included in the No Action Alternative.
- **Adjacent Land Uses**—A Committee Member noted that private property rights and quality of life concerns are important and should be included in the “protection of current land ownership” discussion.
- **Range of Fish and Wildlife Habitat**—A Committee member suggested that agricultural areas be separated from upland areas. It was also suggested that estuaries and deltas be defined as a separate category.
- **Range of Air Quality Management**—A Committee member suggested that agricultural areas on lands that are currently submerged be considered as a potential air quality management action. Soils will need to be reclaimed by leaching salts and the soil texture may need to be modified.
- **Refuge Areas**—A Committee member noted that some federal refuge lands have been inundated by the Sea, and suggested that the refuge areas be re-established on newly exposed areas.
- **Recreational Fishery**—A Committee member suggested that the re-establishment of the recreational fishery be included as a screening criteria. However, a “recreational fishery” should be better defined, and compatibility of recreation with other habitats and species should be considered. It was suggested that the criteria differentiate between a fishery for habitat needs (such as for piscivorous birds) and a recreational sport fishery. There was a general consensus that a recreational fishery should be included in the objectives; however, (1) the Habitat Work Group will need to better define this fishery and identify target species and their habitat requirements, and (2) alternatives should not be ruled out based on the absence of a recreational fishery.
- **Variation in Meeting Objectives**—A Committee member noted that there should be some flexibility in the alternatives meeting the objectives. If all alternatives have to meet all of the objectives, then only a few alternatives will accomplish this and these few alternatives are likely to be very similar.
- **Preservation of Delta Areas**—A Committee member suggested that “the characteristics of” be removed from the criteria so that the revised screening criteria reads “Alternative must replace the function and values of the river delta habitat and retain at least some of the existing delta habitats.” However, it may not be possible to preserve the deltas in their current form, but it may be possible to retain some of the characteristic functions and values of the deltas. After some discussion, it was suggested that the criteria be revised to read “Alternative must retain or replace the function and values...”.

- **Institutional Feasibility**—A Committee member suggested that criteria only consider institutional requirements that are above and beyond the requirements needed for all alternatives. Requirements common to all alternatives, such as California Environmental Quality Act and National Environmental Policy Act compliance, should not be considered.

Committee members requested preliminary cost information for the various alternatives. Preliminary cost and construction phasing information would be presented at the December meeting.

Potential Application of Screening Criteria on Configurations

Ms. Buchholz provided an overview of the potential application of the screening criteria. The North Sea, South Sea, and Import/Export alternatives will be difficult to develop to meet the screening criteria. The Advisory Committee discussed the Gulf of California Alternative (one variation on the Import/Export alternative), and a member suggested that if the Republic of Mexico is not receptive to the alternative, then this alternative should be dropped from further analysis. Fact sheets on these alternatives will be prepared for the next Committee meeting.

An Advisory Committee member noted that the screening criteria should be broad enough to allow for a range of alternatives.

Development of Significance Criteria

Ms. Buchholz provided an overview of the development of the significance criteria. The alternatives will be compared to the Existing Conditions and the No Action Alternative to determine both beneficial and adverse impacts. In accordance with the California Environmental Quality Act, the impacts will then be compared with significance criteria to determine the significance of the impact and whether or not mitigation measures will be needed.

Summary of Action Items

The next Advisory Committee meeting will be held on December 8 at the Torres-Martinez gymnasium. The Torres Martinez tribe will be giving a tour of its new wetlands prior to the meeting. The Authority will also be holding its Board Meeting on December 8 in La Quinta starting at 2:30 pm, and Committee members are encouraged to attend.

Handouts

Copies of the following presentations and related materials:

- Quantification Settlement Agreement Implementation for Habitat and Air Quality
- Summary of Programs Related to Salton Sea Ecosystem Restoration dated April 21, 2004
- Update on Project Status and Schedule
- Review of "Recreation and Economic Opportunities Assessment" Draft Report
- Continued Development of Screening Criteria to Develop Range of Alternatives
- Discussion of Potential Application of Screening Criteria on Configurations
- Development of Significance Criteria
- Excerpt from Appendix G of the California Environmental Quality Act Guidelines

ATTENDANCE

Advisory Committee Members or Alternates Present:

Jose Angel, Regional Water Quality Control Board
Steve Birdsall, Imperial County Air Pollution Control District
Celeste Cantu, State Water Resources Control Board
Fred Cagle, Sierra Club
Michael Cohen, Pacific Institute
Kim Delfino, Defenders of Wildlife
Bill DuBois, California Farm Bureau Federation
Bill Gaines, California Waterfowl Association
Rick Gundry, Bureau of Indian Affairs
Bob Ham, Imperial Valley Association of Governments
Rick Hoffman, Riverside County
Al Kalin, Imperial County Farm Bureau
Julia Levin, Audubon California
Debi Livesay, Torres-Martinez Desert Cahuilla Indians
Al Loya, Torres-Martinez Desert Cahuilla Indians
Sylvia Oey, Air Resources Board
Larry Purcell, San Diego County Water Authority
Tom Raftican, United Anglers of Southern California
Steve Robbins, Coachella Valley Water District
John Scott, The Metropolitan Water District of Southern California
Vincent Signorotti, Geothermal Energy Association
Mike Walker, U.S. Bureau of Reclamation
Dan Walsworth, U.S. Fish and Wildlife Service
Bruce Wilcox, Imperial Irrigation District
John Wohlmuth, Coachella Valley Association of Governments